

**FINANCE AND PERFORMANCE REPORT – JANUARY 2018**

**To:** Children and Young People Committee

**Meeting Date:** 13 March 2018

**From:** Executive Director: People and Communities  
Chief Finance Officer

**Electoral division(s):** All

**Forward Plan ref:** Not applicable      **Key decision:** No

**Purpose:** To provide the Committee with the January 2018 Finance and Performance report for People And Communities Services (P&C).

The report is presented to provide the Committee with the opportunity to comment on the financial and performance position as at the end of January 2018.

**Recommendation:** The Committee is asked to review and comment on the report

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## 1.0 BACKGROUND

- 1.1 A Finance & Performance Report for People and Communities (P&C is produced monthly and the most recent available report is presented to the Committee when it meets.
- 1.2 The report is presented to provide the Committee with the opportunity to comment on the financial and performance position of the services for which the Committee has responsibility.
- 1.3 This report is for the whole of the P&C Service, and as such, not all of the budgets contained within it are the responsibility of this Committee. Members are requested to restrict their attention to the budget lines for which this Committee is responsible, which are detailed in Appendix 1, whilst the table below provides a summary of the budget totals relating to CYP Committee:

| <b>Forecast Variance Outturn (Nov) £000</b> | <b>Directorate</b>                                     | <b>Current Budget 2017/18 £000</b> | <b>Actual to end of Jan £000</b> | <b>Current Variance £000</b> | <b>Forecast Variance Outturn (Jan) £000</b> |
|---|--|------------------------------------|----------------------------------|------------------------------|---|
| 707   | Children's Commissioning                               | 13,124                             | 9,880                            | 635                          | 837   |
| -107  | Communities & Safety                                   | 5,158                              | 3,672                            | -213                         | -144  |
| 6,992                                       | Children & Safeguarding                                | 105,359                            | 94,825                           | 6,234                        | 7,767                                       |
| -160  | Education  | 20,004                             | 14,463                           | -73                          | -227  |
| <b>7,432</b>                                | <b>Total Expenditure</b>                               | <b>143,644</b>                     | <b>122,841</b>                   | <b>6,583</b>                 | <b>8,233</b>                                |
| -1,592                                      | Grant Funding (including Dedicated Schools Grant etc.) | -48,061                            | -39,497                          | -1,048                       | -1,797                                      |
| <b>5,840</b>                                | <b>Total</b>   | <b>95,583</b>                      | <b>83,344</b>                    | <b>5,535</b>                 | <b>6,436</b>                                |

**Please note:** Strategic Management – Commissioning, Executive Director and Central Financing budgets cover all of P&C and are therefore not included in the table above.

### 1.4 Financial Context

As previously discussed at Children and Young People (CYP) Committee the major savings agenda continues with £99.2m of savings required across the Council between 2017 and 2022.

The required savings for P&C in the 2017/18 financial year total £20,658k.

## 2.0 MAIN ISSUES IN THE JANUARY 2018 P&C FINANCE & PERFORMANCE REPORT

- 2.1 The January 2018 Finance and Performance report is attached at Appendix 2. At the end of January, P&C forecast a pressure of £6,774k. This is a worsening position from the previous position reported to CYP Committee month when the forecast was £6,259k to the end of November.

As well as making savings through transformation, the service faces significant demand

pressures, particularly in children’s services related to the rising number of looked after children, a national trend. This month the report also acknowledges emerging pressures in Adults services, and risk will likely increase in this area as efforts to meet national delayed transfers of care targets step-up for winter.

The directorate is focused on identifying financial mitigations to offset pressures; seventeen service lines have already identified underspends and other areas are anticipating that they can improve their current position before year-end in the forecast submitted.

The whole directorate has been tasked with going further to improve the position. In many cases, planned transformation and demand management strategies are in progress and will deliver the expected savings ask although to a delayed timescale.

## 2.2 Revenue

The main changes to the revenue forecast variances within CYP Committees areas of responsibility since the previous report are as follows:

- In Children & Safeguarding, the Children in Care budget is forecasting to be £557k over budget, an increase of £263k since November. This is due to a combination of an increased number of court ordered contact sessions per week alongside increases across both the under 18 & over 18 Unaccompanied Asylum Seeking Children (UASC) and 14-25 LAC Team budgets. The higher number of contact sessions has necessitated the use of additional relief staff and external agencies to cover the caseload. Other pressures are due the overall number of clients being supported and latest income expectations from the Home Office, together with an increase in the in-house fostering forecast due to additional placements being made.
- In Children & Safeguarding, the Looked After Children Placements budget is forecasting to be £3,249k over budget, an increase of £558k since November. The increase is due to a combination of changes in placement fees (higher prices) and/or new placements (more placements) this month, including one new high cost secure accommodation placement that has recently been commissioned. Work has started on an independent evaluation of the reasons for our LAC numbers being higher than our statistical neighbours.
- In Children & Safeguarding, the SEN Placements budget is forecasting to be £850k over budget, an increase of £150k since November. This due to an increase in the number of commissioned placements, and one case that went to Appeal where County could not meet need. This budget pays for the educational element of those placements and is funded from the Dedicated Schools Grant (DSG). Any pressures on DSG funded services will be managed from within the overall available DSG for 2017/18.
- In Children & Safeguarding, the Strategic Management budget has a year-end forecast of £822k over budget. This is a decrease of -£200k since November following a review of actual and estimated vacancy savings within the service.

2.3 The table below identifies the key areas of overspend/pressures and underspends within CYP alongside potential mitigating actions:

|   |  |
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| <b>Home to School<br/>Transport - Special</b> | The key reason for the overspend in this area is: <ul style="list-style-type: none"> <li>• higher than expected number of transport applications from</li> </ul> |
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| <p>Forecast year-end variance:<br/><b>+£420k</b></p>  | <p>children attending special schools, with an increase of 8% in the number of Cambridgeshire pupils attending Special Schools in the autumn term of Academic Year 17/18 compared to the same period in 16/17.</p> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• A detailed review of children and young people currently travelling in high-cost single occupancy taxis to assess whether more cost-effective options are available</li> <li>• A strictly time limited review of the Personal Transport Budget (PTB) scheme looking at the current criteria, decision-making, reporting and monitoring processes and how these can be improved to deliver the planned savings.</li> <li>• A working group has been established to relaunch the plan to roll out independent travel training with the first group of children and young people being able to travel independently from September 2018.</li> </ul>  |
| <p><b>Looked After Children – Transport</b></p> <p>Forecast year-end variance:<br/><b>+£500k</b></p>                  | <p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> <li>• The overall increase in Looked after Children requiring Home to School Transport.</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• Case-by-case reviews of the most expensive cohorts of Looked After Children transport to identify savings reductions, particularly targeting high-cost single occupancy taxi journeys and encouraging more children to walk shorter journeys.</li> <li>• Route reviews to identify opportunities for shared vehicles, routes and providers, including across different client groups e.g. mainstream, SEND, or Adult transport, reducing any duplication and opportunities for better use of volunteer drivers.</li> <li>• Further activity to ensure the Council's policies around transport provision are implemented fully across the board, with joined-up decisions across social care and transport.</li> </ul> |
| <p><b>Youth Offending Service</b></p> <p>Forecast year-end variance:<br/><b>-£103k</b></p>                            | <p>The key reason for the underspend in this area is:</p> <ul style="list-style-type: none"> <li>• A one-off reduction in the YOS equalisation reserve.</li> </ul>   |
| <p><b>Strategic Management – Children &amp; Safeguarding</b></p> <p>Forecast year-end variance:<br/><b>+£822k</b></p> | <p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> <li>• Historical unfunded pressures of £886k. These consist of £706k around the use of unfunded agency staffing and other unfunded posts totalling £180k.</li> <li>• an additional £336k is due to the service not being awarded an expected grant from the DFE, anticipation of this grant had been built in as an income and this has now resulted in a shortfall in the required staffing budget.</li> <li>• This has been offset in part by additional vacancy savings.</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• Pressures continue to be monitored and reviewed at the CCP work stream project meetings, by Senior Management Team and at the P&amp;C Delivery Board with the intention of any residual pressures being managed as part of the 2018/19 Business Planning round.</li> </ul>   |

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| <p><b>Children in Care</b></p> <p>Forecast year-end variance:<br/><b>+£557k</b></p>                   | <p>The key reasons for the overspend in this area are:</p> <ul style="list-style-type: none"> <li>• a forecast shortfall between the grant received from the Home Office for former looked after unaccompanied asylum seeking young people who are now over 18 and the costs incurred in supporting them.</li> <li>• the use of additional relief staff and external agencies to cover the current 204 Supervised Contact Cases which equate to approximately 140 supervised contact sessions a week.</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• Close liaison with the Home Office to advocate that decisions for individual young people are expedited in a timely way.</li> <li>• A systemic review of all supervised contact taking place across the service to ensure better use of staff time and costs.</li> </ul>   |
| <p><b>Looked After Children Placements</b></p> <p>Forecast year-end variance:<br/><b>+£3,249k</b></p> | <p>The key reasons for the overspend in this area are:</p> <ul style="list-style-type: none"> <li>• The continuing higher than budgeted number of LAC placements and forecast under-delivery of composition savings. The high number of IFA placements used.</li> <li>• Overall LAC numbers at the end of January 2018, including placements with in-house foster carers, residential homes and kinship, are 702. This includes 63 unaccompanied asylum seeking children (UASC).</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• Weekly panel to review high-cost placements to ensure that the plans for children remain focussed and that resources are offering the best value for money.</li> <li>• Purchase placements reviews – scrutiny by placement officers and service/district managers to review emergency placements, changes of placements and return home from care planning to ensure that children are in the right placement for the right amount of time.</li> <li>• All new admissions to care have to be agreed at Assistant Director or Service Director level.</li> <li>• A new Head of Service, with expertise in children’s services commissioning, has been re-deployed from elsewhere in the P&amp;C directorate to lead the Access to Resources function. This should result in more robust commissioning and a reduction in costs.</li> <li>• Increasing the number of in house foster carers.</li> </ul> |
| <p><b>Adoption</b></p> <p>Forecast year-end variance:<br/><b>+£576k</b></p>                           | <p>The key reasons for the overspend in this area are:</p> <ul style="list-style-type: none"> <li>• Requirement to purchase inter agency placements to manage this requirement and ensure our children receive the best possible outcomes.</li> <li>• Increased number of children being brought into care and needing permanency.</li> <li>• The continuation of historical adoption/Special Guardianship Orders (SGOs) allowances and a lower than expected reduction from reviews of packages or delays in completing reviews of packages</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• Ongoing dialogue with CCA to identify more cost effective medium term options to recruit more adoptive families to meet the needs of our children.</li> <li>• A programme of reviews of allowances continues which is resulting in some reduction of packages, which is currently off-</li> </ul>   |

|  |  |
|--|--|
|  | setting any growth by way of new allowances.   |
| <b>Legal</b><br><br>Forecast year-end variance:<br><b>+£686k</b>   | The key reason for the overspend in this area is: <ul style="list-style-type: none"> <li>• The increased number of Care Applications (52% between 2014/15 and 2016/17).</li> <li>• Currently 96 open sets of care proceedings</li> </ul> Mitigating actions include: <ul style="list-style-type: none"> <li>• Use of a legal tracker to more effectively manage controllable costs.</li> </ul>   |
| <b>Children's Disability Service</b><br><br>Forecast year-end variance:<br><b>+£168k</b>   | The key reason for the overspend in this area is: <ul style="list-style-type: none"> <li>• The increase both in the number of support hours, a high cost individual case and in the number of joint funded health packages.</li> </ul> Mitigating actions include: <ul style="list-style-type: none"> <li>• Reviewing the costs of current packages and in particular support levels for our young people.</li> </ul>  |
| <b>High Needs Top-Up Funding</b><br><br>Forecast year-end variance:<br><b>+£200k</b><br><br><b>DSG Funded</b>                      | The key reason for the overspend in this area is: <ul style="list-style-type: none"> <li>• The continuing increase in numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education providers.</li> </ul> Mitigating actions include: <ul style="list-style-type: none"> <li>• SEND Sufficiency plan to be implemented. This sets out what is needed, how and when;</li> <li>• A full review of all High Needs spend due to the ongoing pressures and proposed changes to national funding arrangements.</li> </ul>   |
| <b>SEN Placements</b><br><br>Forecast year-end variance:<br><b>+£850k</b><br><br><b>DSG Funded</b>                                 | The key reason for the overspend in this area is: <ul style="list-style-type: none"> <li>• An increase in the number of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement.</li> </ul> Mitigating actions include: <ul style="list-style-type: none"> <li>• SEND Sufficiency plan to be implemented. This sets out what is needed, how and when;</li> <li>• New special schools to accommodate the rising demand over the next 10 years;</li> <li>• Delivery of the SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education;</li> <li>• Work on coordination of reviews for ISEPs to look at returning in to county; and</li> <li>• A full review of all High Needs spend due to the ongoing pressures and proposed changes to national funding arrangements.</li> </ul> |
| <b>Commissioning Services – Out of School Tuition</b><br><br>Forecast year-end variance:<br><b>+£636k</b><br><br><b>DSG Funded</b> | The key reason for the overspend in this area is: <ul style="list-style-type: none"> <li>• An increasing number of children with a Statement of Special Educational Needs / Education, Health and Care Plans (EHCP) out of school in receipt of alternative (tuition) packages.</li> </ul> Mitigating actions include: <ul style="list-style-type: none"> <li>• The introduction of a new process to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school.</li> <li>• Development of in-house provision.</li> </ul>  |

## 2.4 Capital

The Capital Programme Board recommended that services include a variation budget to account for likely slippage in the capital programme, as it is sometimes difficult to allocate this to individual schemes in advance. As forecast underspends start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up until the point where slippage exceeds this budget. The allocation for P&C's negative budget adjustments has been calculated as follows, shown against the slippage forecast to date:

| 2017/18               |   |   |  |   |   |
|-----------------------|---|---|--|---|---|
| Service               | Capital Programme Variations Budget<br>£000 | Forecast Variance - Outturn (Jan)<br>£000 | Capital Programme Variations Budget Used<br>£000 | Capital Programme Variations Budget Used<br>% | Revised Forecast Variance - Outturn (Jan)<br>£000 |
| P&C                   | -10,305                                     | -8,239                                    | 2,066  | 20.0%   | -   |
| <b>Total Spending</b> | -10,305                                     | -8,239                                    | 2,066  | 20.0%   | -   |

## 2.5 Performance

Of the twenty-three P&C service performance indicators twelve are shown as green, four as amber and seven are red.

Of the Children and Young People Performance Indicators, six are green, three are amber and four are red. The four red performance indicators are:

1. Number of children with a Child Protection Plan per 10,000 population under 18
2. The number of looked after children per 10,000 children;
3. The FSM/Non-FSM attainment gap % achieving level 4+ in reading, writing and maths at Key Stage 2.
4. The FSM/Non-FSM attainment gap % achieving 5+ A\*-C including English and maths at GCSE.

The % of 16-18 year olds NEET and unknown has moved from red to green based on the last available data.

## 2.6 P&C Portfolio

The major change programmes and projects underway across P&C are detailed in Appendix 8 of the report – none of these is currently assessed as red.

## 3.0 2017-18 SAVINGS TRACKER

- 3.1 As previously reported the “tracker” report – a tool for summarising delivery of savings – will be made available for Members on a quarterly basis.

## **4.0 ALIGNMENT WITH CORPORATE PRIORITIES**

### **4.1 Developing the local economy for the benefit of all**

4.1.1 There are no significant implications for this priority.

### **4.2 Helping people live healthy and independent lives**

4.2.1 There are no significant implications for this priority

### **4.3 Supporting and protecting vulnerable people**

4.3.1 There are no significant implications for this priority

## **5.0 SIGNIFICANT IMPLICATIONS**

### **5.1 Resource Implications**

5.1.1 This report sets out details of the overall financial position of the P&C Service.

### **5.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

5.2.1 There are no significant implications within this category.

### **5.3 Statutory, Risk and Legal Implications**

5.3.1 There are no significant implications within this category.

### **5.4 Equality and Diversity Implications**

5.4.1 There are no significant implications within this category.

### **5.5 Engagement and Consultation Implications**

5.5.1 There are no significant implications within this category.

### **5.6 Localism and Local Member Involvement**

5.6.1 There are no significant implications within this category.

### **5.7 Public Health Implications**

5.7.1 There are no significant implications within this category.

| <b>Source Documents</b>   | <b>Location</b>   |
|---|---|
| As well as presentation of the F&PR to the Committee when it meets, the report is made available online each month. | <a href="https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&amp;-performance-reports/">https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&amp;-performance-reports/</a> |